

# TORONTO STOCK EXCHANGE

FILING STATEMENT No. 647.  
FILED, NOVEMBER 20th. 1961.

NOV 30 1961

## LAKE - OSU MINES LIMITED

Full corporate name of Company  
Incorporated under The Companies Act (Ontario)  
by Letters Patent dated October 19, 1945.

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953  
(Ontario) by Letters Patent dated May 1st, 1957).

Reference is made to previous  
Filing Statement No. 315.

## FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things,  
an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	This Statement is filed in respect to the Underwriting and Option Agreement dated November 16, 1961, made between Lake-Osu Mines Limited, herein called "the Company", and Ross, Knowles & Co. Limited, on behalf of client, particulars of which are referred to in Item 6 hereof.
2. Head office address and any other office address.	The head office address of the Company is Room 418, 25 Adelaide Street West, Toronto 1, Ontario.
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	President - A.C. Mosher, 418, 25 Adelaide Street West, Toronto, Ontario, Mining Executive, Vice-President - D.W. Falconer, 2402, 44 King Street West, Toronto, Ontario, Solicitor, Secretary-Treasurer - J.H. Fisher, 418, 25 Adelaide Street West, Toronto, Ontario, Chartered Accountant. <u>Directors</u> A.C. Mosher - as above. D.W. Falconer - as above. S.K. Bongard - Room 711, 25 Adelaide Street West, Toronto, Ontario, Stockbroker, F.W. Graham - Room 711, 25 Adelaide Street West, Toronto, Ontario, Stockbroker, Frank W. West - 37 Lynn Road, Toronto, Ontario, Engraver.
4. Share capitalization showing authorized and issued and outstanding capital.	The authorized capital of the Company consists of 3,500,000 shares of the par value of \$1.00 each of which 2,750,000 shares are issued and outstanding as fully paid and non-assessable shares.
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	There are no bonds, debentures, notes, mortgages, charges, liens or hypothecations of the Company outstanding.
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	See Schedule "A" hereto on page 2.
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	There are no present or proposed assignments of any of the shares underwritten or optioned and none are contemplated, except as referred to in Item 6 above.
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	No payment in cash or securities of the Company has been made or will be made to a promoter or finder in connection with the proposed Underwriting and Option Agreement referred to above.
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	The Company proposes to carry out an initial programme of prospecting and 4,500 feet of diamond drilling on its mining property located in Ranges VI and VII in Dufresnoy Township, in the Noranda area, of the Province of Quebec, forthwith, after the completion of the geophysical survey which is now being carried out on the said property by George Wahl, P. Eng. The cost of the geophysical survey will be approximately \$3,500.00 and the cost of the proposed initial prospecting and diamond drilling programme to be carried out will be approximately \$20,000.00. The Company proposes to use funds received from the sale of the treasury shares referred to in Item 6 hereof for the above purposes. Funds received under the above mentioned Underwriting and Option Agreement in excess of that proposed to be expended as stated above, if not used for further development work on the above mining property, will only be used for other purposes after disclosing same to the Toronto Stock Exchange by an amendment to this Filing Statement or by filing a new Filing Statement.



The Company has entered into an Agreement with Ross, Knowles & Co. Limited, 25 Adelaide Street West, Toronto, Ontario, on behalf of John D. Crighton, 17 Thornhill Avenue, Thornhill, Ontario, Mining Executive, subject to the approval of the Toronto Stock Exchange thereto, whereby the Company has agreed to sell to Ross, Knowles & Co. Limited and Ross, Knowles & Co. Limited has agreed to purchase from the Company 200,000 shares of the capital stock of the Company at the price of 25¢ per share payable forthwith and the Company has agreed to give to Ross, Knowles & Co. Limited the sole and exclusive option to purchase from the Company 300,000 shares of the capital stock of the Company at the prices and on the terms and conditions following, viz:-

- (a) All or any part of 200,000 shares to be taken up and paid for in full at the price of 30¢ per share on or before the 16th day of February, 1962;
- (b) All or any part of a further 100,000 shares to be taken up and paid for in full at the price of 35¢ per share on or before the 16th day of May, 1962.

THIS IS SCHEDULE "B" to the Filing Statement  
of Lake-Osu Mines Limited dated November 17,  
1961

The following are the names, addresses and shareholdings of the five largest registered shareholders of the Company as at the close of business on November 16, 1961.

<u>Name and Address</u>	<u>Number of Shares</u>
Chimo Gold Mines Limited, 418, 25 Adelaide Street West, Toronto, Ontario.	745,000
Bongard & Company, 25 Adelaide Street West, Toronto, Ontario.	397,937
Kamm, Garland & Co., 38 King Street West, Toronto, Ontario.	162,862
Playfair & Co., Ltd., 68 King Street West, Toronto, Ontario.	94,500
Doherty Roadhouse & Co., 335 Bay Street, Toronto, Ontario.	86,150

The Company is advised that of the 397,937 shares of the capital stock of the Company registered in the name of Bongard & Company as shown above, S.K. Bongard, aforesaid, is the beneficial owner of 73,407 shares and that 731,500 shares out of the 745,000 shares of the capital stock of the Company registered in the name of Chimo Gold Mines Limited are beneficially owned by that Company.

The Company does not know if any other of the above shareholders are the beneficial owners of the shares registered in their name or not.

## FINANCIAL STATEMENTS

LAKE-OSU MINES LIMITED

## BALANCE SHEET

AS AT OCTOBER 31, 1961

[illegible]



LAKE-OSU MINES LIMITED

SCHEDULE OF INVESTMENTS

AS AT OCTOBER 31, 1961

SHORT TERM NOTES

General Motors Acceptance Corporation of Canada Ltd., \$50,000.00 notes due on or before June 8, 1962, at cost plus accrued interest	\$ 49,045.00
Traders Finance Corporation Limited, \$15,000.00 note due February 15, 1962, at cost plus accrued interest	15,140.00

BONDS

\$25,000.00 Canada Permanent Mortgage Corporation 4½% bonds due December 30, 1961 at cost plus accrued interest (market value \$25,000.00)	25,400.00
\$20,000.00 H.E.P.C. of Ontario 4% bonds due October 15, 1963, at cost plus accrued interest (market value \$19,900.00)	<u>19,783.00</u>
	\$ <u>109,368.00</u>

LAKE-OSU MINES LIMITED

STATEMENT OF OPERATIONS AND DEFICIT

FOR THE YEAR ENDED OCTOBER 31, 1961

INCOME

Investment income	\$ 6,377.88	
Profit on sale of investments	<u>1,450.00</u>	7,827.88

EXPENSES

General prospecting expenses including preliminary staking		2,665.79
Administration expenses -		
Administration and office salaries	\$ 1,676.63	
Management travelling	272.50	
Office rent	531.55	
Office and general expenses	47.29	
Legal and audit	825.00	
Registrar and transfer fees	591.19	
Licences and fees	58.35	
Telephone and telegraph	70.48	
Postage and stationery	<u>307.47</u>	<u>4,380.46</u>
		<u>7,046.25</u>

NET INCOME FOR YEAR 781.63

DEFICIT, NOVEMBER 1, 1960 57,055.66

DEFICIT, OCTOBER 31, 1961 \$ 56,274.03

LAKE-OSU MINES LIMITED  
STATEMENT OF SOURCE AND APPLICATION OF FUNDS  
FOR YEAR ENDED OCTOBER 31, 1961

<b>SOURCE OF FUNDS</b>		
Net income for year		\$ 781.63
<b>APPLICATION OF FUNDS</b>		
Purchase of 20 unpatented mining claims in the Township of Dufresnoy area, Quebec	\$ 20,090.00	
Exploration and development costs in the O'Sullivan Lake area	650.89	20,740.89
<b>DECREASE IN WORKING CAPITAL</b>		\$ 19,959.26

DECREASE IN WORKING CAPITAL  
REFLECTED IN THE CURRENT ASSETS AND LIABILITIES

	October 31, 1961	October 31, 1960	Working Capital Changes Increase	Decrease
<b>CURRENT ASSETS</b>				
Bank	\$ 6,929.92	763.14	6,166.78	
Accounts receivable	958.34	-	958.34	
Investments	109,368.00	138,675.00		29,307.00
Deposit	-	600.00		600.00
	<u>117,256.26</u>	<u>140,038.14</u>		
<b>CURRENT LIABILITIES</b>				
Accounts payable	-	2,822.62	2,822.62	
	-	2,822.62	9,947.74	29,907.00
<b>WORKING CAPITAL</b>	\$ <u>117,256.26</u>	<u>137,215.52</u>		9,947.74
<b>DECREASE IN WORKING CAPITAL</b>				\$ 19,959.26

**ENGINEER'S REPORT**

LAKE OSU MINES LIMITED

REPORT ON

DUFRESNOY TOWNSHIP PROPERTY

NORANDA AREA, QUEBEC.

General Statement

Information contained in this report is derived from examination and compilation of records provided by Noranda Mines Limited and the Quebec Department of Mines, and from several field trips by the writer to examine areas of particular interest.

Summary and Recommendations

The property of Lake Osu Mines Limited in Dufresnoy Township is well located with regard to favourable geologic formations and structures of the Noranda area.

Future exploration should be directed toward the probing of known chalcopyrite-pyrrhotite and chalcopyrite-pyrite mineralization in the vicinity of certain fault and fold structures.

The estimated cost of an initial program of prospecting and 4,500 feet of diamond drilling is \$18,000.00.

Property

The Dufresnoy Township property of Lake Osu Mines Limited was purchased in September 1961 and consists of lots 31 to 36 inclusive in range VI, plus lots 23 to 36 inclusive in range VII; having a total area of about 1900 acres.

Location and Access

The property is situated ten miles north of the City of Noranda about one mile east of the Macamic highway. The all-weather Clerisy road forms part of the south boundary of the property and the Noranda-Taschereau branch of the Canadian National Railways traverses the southern part of the property.

The recent discovery hole of Lake Dufault Mines Limited lies three miles to the south west, the orebodies of Vauze Mines Limited lie 3 1/2 miles to the west, the Macdonald shaft is 3 miles to the south, and the Mobrun copper-zinc body lies 2 1/2 miles to the northeast.



The property is underlain mainly by keewatin volcanics of acid to intermediate composition which have been closely folded to form alternating anticlines and synclines whose axial planes strike about N40°W and whose limbs have a general northeasterly dip of 70° to 80°.

The volcanic rocks have been intruded by keewatin diorite, gabbro and diabase, as sills and irregular masses and by minor acidic dikes, some of which are probably related to the Waite Amulet granite stock which outcrops in the southern portion of lots 31 and 32 in range VI.

The accompanying map, scale 1 inch to 400 feet, is a compilation of mapping done on various scales and in varying detail. A well-defined synclinal axis has been traced for about 9000 feet on the property and a parallel anticlinal axis has been traced for about 4000 feet from the southeast end of Lake D'Alembert. Four other parallel fold axes are indicated in the northeast part of the map area. Schistosity along the margins of outcrop areas suggests strong shear zones in the low ground, one such having been encountered in drill hole M-2. The northeasterly-trending faults shown on the map are indicated by apparent offset of formations and/or by marked topographic depressions. The importance of minor northeasterly faults in localizing the orebodies of Waite Amulet, Lake Dufault and Vauze Mines is well known.

#### Work Done to Date

Early prospectors blasted pits on a rusty zone near the north end of lot 25, range VII and probably elsewhere on the property.

Work was done by Noranda Mines Limited as follows:

- 1954 - a) Nine diamond drill holes on lots 30 and 31, range VI to test the possibilities of a copper-bearing zone in the granite.  
b) One hole (M-2) in the south portion of lot 34, range VI. This hole encountered a broad shear zone which is possibly tangential to the granite contact.  
c) Six holes (M3 to M8) in the eastern part of the south half of lot 36 range VI. These holes encountered disseminated pyrrhotite with traces of copper.
- 1955-56 An electromagnetic survey was carried out for Noranda Mines Limited by Geo-Explorers Ltd. A map and report of the work are appended hereto.
- 1957-58 Detailed mapping was done by Noranda Mines staff over most of the property. A geological report by G. K. Polk is appended.

Apparently none of the holes recommended in the report by Geo-Explorers Ltd. was drilled.

The writer has found no record of other ground geophysical work on the property although it is believed that it has been covered by aerial surveys conducted by Mr. B. W. Lang.

#### Sulphide Mineralization

Present knowledge indicates the two main areas of interest to be the vicinity of the axial plane of the central syncline and the vicinity of the granite contact near the railway.

##### a) Central Syncline:

Pyrrhotite, with minor pyrite and chalcopyrite, has been noted at many points along the central syncline, usually within a few hundred feet of the axial plane. Local heavy pyrrhotite is noted in the old pits near the north boundary in lot 25, where the "nose" of gabbro and diorite partly encloses the lavas. This zone can be traced for about 500 feet and is locally as much as 30 feet wide. The structural situation with which this mineralization is associated is sufficiently interesting to warrant further investigation.

Near range lines VI-VII, in lots 32-35, pyrrhotite with a little chalcopyrite occurs in the general vicinity of the intersection of the central syncline axis by northeasterly faults.

##### b) Granite Contact Area:

Reference to drill sections shows the following:

Section	Hole No.	Core Length	% Copper
M-1	M-1	80'	0.15
		and 300'	0.11
C	M-11	50'	0.23
D	M-9	130'	0.23
	M-13	70'	0.25
E	M-12	50'	0.15
	M-14	80'	low values to 0.34%
	M-17	70'	low values to 0.35%

This copper mineralization is associated with pyrite in broad zones of shear and alteration in the granite, a few hundred feet (at surface) from its contact. The mineralized zones dip NE at 40°-45° and section "E" shows them continuing onto Lake Osu property.

The dip of the granite contact is not known but probably approximates that of the nearest volcanics (i.e. 70°-75° NE). This contact zone, from surface down, is of considerable interest and particularly so where and if the mineralized zones in the granite reach it, possibly at 1000-1200' vertical depth below surface. None of the holes drilled to date has tested the actual granite-volcanic contact.



### Recommendations

#### A. Diamond Drilling

<u>Proposed Hole</u>	<u>Location North</u>	<u>East</u>	<u>Bearing</u>	<u>Dip</u>	<u>Depth</u>	<u>Purpose</u>
A	Collar at M-17		N40°E	-35°	300'	Locate granite contact.
B	63,570	46,730	S40W	-45°	700'	Dip and character of granite contact.
C	63,570	46,730	S40W	-80°	1200'	Explore chalcopyrite zone at granite contact.
D	67,200	47,120	S50W	-50°	1000'	Surface mineralization vicinity fault.
E	66,050	49,820	-	-90°	500'	Mineralization near diorite-andesite contact.
F	71,640	41,420	-	-90°	300'	"Nose" of syncline
G	71,220	41,600	-	-90°	500'	"Head" of syncline.

Total Initial Program:  
7 holes

4500 feet

#### B. Geophysical

Conduct magnetometer and/or self potential surveys over conductors indicated by electromagnetic survey.

#### C. Prospecting and Mapping

Clean out and re-chain surveyed base line for general reference.

Prospect carefully the vicinities of conductors indicated by electromagnetic survey; also prospect carefully for rust zones along the central syncline.

Do detail mapping when indicated by prospecting.

### Cost Estimate

#### A. Diamond Drilling:

4500 feet @ \$3.00 per foot	\$ 13,500.00	
Supervision, core handling and assaying	<u>2,500.00</u>	\$16,000.00

#### B. Prospecting and Mapping

2 men for 2 months @ \$400.00	1,600.00
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#### C. Miscellaneous

Transportation, supplies	<u>400.00</u>
	<u>\$18,000.00</u>

Respectfully submitted,

*L. S. Trenholme*

L. S. Trenholme, M.Sc. (Geologist)

Noranda, Quebec.  
October 25, 1961.

#### Maps

- 1) Geological Compilation 1" to 400'
- 2) Overlay: Electromagnetic Survey 1" = 400'

#### Appended:

- 1) Drill Logs M-1 to M-13
- 2) Drill Sections M-1 to M-17
- 3) Geological Report by G.K. Polk.
- 4) Report of Electromagnetic Survey by D. Salt.

### STATEMENT OF QUALIFICATIONS

To Whom It May Concern:

The undersigned, L. S. Trenholme, is a graduate geologist residing at 186 Frontenac Avenue, Noranda, Quebec. He has practised as a mine and consulting geologist in northwestern Quebec since 1936 and in the Noranda area since 1947.

The information contained in this report to Lake Osu Mines Limited has been derived from various government and company records, from his general knowledge of the Noranda area, and from personal visits to the property in 1961.

Although the writer was a vendor of the property to Lake Osu Mines Limited under an agreement dated September 28th, 1961, he did not retain any equity in the property. He does not now own, nor does he expect to own, any shares or other securities in Lake Osu Mines Limited.

This report has been written in consideration of a cash fee only and the writing of such a report was not included, either by written or verbal consent, as one of the conditions of sale.

*L. S. Trenholme*  
L. S. Trenholme

October 25, 1961.



